

solvency ratios			activity/ turnover ratios			profitability ratios (cont)				
debt to equity ratio = $\frac{\text{dbt}}{\text{eq-uity(s-harhld.r fund)}}$	total asset to debt ratio = $\frac{\text{TA}}{\text{Dbt}}$	proprietary ratio = $\frac{\text{shareh-olds funds or propri-etors funds or equity/ TA}}$	inventory turnover ratio = $\frac{\text{crfo}}{\text{avg inventory on LTD}}$	trade receiv-ables turnover ratio = $\frac{\text{crfo}}{\text{ATR}}$	trade payables turnover ratio = $\frac{\text{net credit purchases/ ATP}}$	OP= np operating expenses= employees benefit exp + deprec & amortis-ation exp + other exp	OP= np + non-oper-ating exp - non-o-per-ating income	np after tax= gp + other income - indirect expenses -tax	capital employed= asset side: NCA +WC libility side: share cpt+re-serves and surplus +LTB +LTP	
equity= share cpt+ reserv-es&su-rplus	TA=NCA+CA	equity= share cpt+ reserves & s-urplus	inventory ratio = $\frac{\text{crfo}}{\text{avg inventory before interest and tax= profit expense after crfo= cost of material consumed +purchase tax+ tax of stock in trade +change in inventory of +interest. finished goods +direct exp.}}$	crfo/ avg ATR	credit purchases/ ATP	rfo/ WC rfo= sales -sales return percentage				
equity=NC-A+WC-NCL	CA= CI+ invt+TR +cash & cash equivl.nts+ ST loans & advances		liquidity ratios			profitability ratios				
debt= LT.bor-rowing (deben-tures,- mortgage loan,p-ublic dep) +LT.prov	NCA=property ,plant & eqp.+nta-ngible assets+NCL+ LT loans & advances		current ratio = $\frac{\text{crfo}}{\text{CA/CL}}$	liquid/quick ratio = $\frac{\text{LAorQA}}{\text{CL}}$		GP ratio = $\frac{\text{GP/rfo}}{\times 100}$	operating ratio = $\frac{\text{crfo+O-perating exp/ rfo}}{\times 100}$ OR $\frac{\text{operating cost/ rfo}}{\times 100}$	operating profit ratio = $\frac{\text{operating profit / rfo}}{\times 100}$	net profit ratio = $\frac{\text{NP after tax /rfo}}{\times 100}$	return on invst/cpt employed= profit before interest,tax ÷nd/ cpt employedOR operating cost/ rfo $\times 100$

